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Via CM/ECF

Hon. Loretta A. Preska United States District Court for the Southern District of New York Daniel Patrick Moynihan United States Courthouse 500 Pearl Street New York, NY 10007

Re: Petersen Energía Inversora, S.A.U. v. Argentine Republic, No. 15-cv-02739; Eton Park Capital Management, L.P. v. Argentine Republic, No. 16-cv-8569

Your Honor:

We write to respectfully request a pre-motion conference on several discovery issues to address the Republic's and Banco de la Nación Argentina's ("BNA") obstructive delay in post-judgment discovery. Since Plaintiffs and the Republic were last before the Court in May, we have met and conferred seven additional times—for a total of *nineteen* post-judgment discovery meet and confers—and exchanged multiple letters. Notwithstanding those efforts, in order to make meaningful progress in the face of the Republic's intransigence, the Court's intervention is unfortunately required. Plaintiffs have consolidated these discovery issues as follows:¹

In Section I, Plaintiffs seek leave for entry of a scheduling order for post-judgment discovery. The Republic has employed a pattern of obfuscation and delay in fulling its discovery obligations—in essence, granting itself the stay of execution that the Court was unwilling to provide. These delay tactics are not limited only to post-judgment discovery but extend to avoidance of service in recognition proceedings abroad and an extended appellate briefing schedule. Court-ordered deadlines in this case are necessary to ensure the Republic's timely compliance with post-judgment discovery requests.

In Section II, Plaintiffs seek leave to move to modify the Protective Order to permit the use of discovery materials in recognition and enforcement proceedings in other jurisdictions (ECF No. 334).

In Section III, Plaintiffs seek leave to move to compel the Republic to respond to Plaintiffs' First Information Subpoena to the Republic, dated May 15, 2024 (the "Subpoena"). Plaintiffs are

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¹ Consistent with the parties' practice in merits discovery and pursuant to the Court's Individual Practices, Plaintiffs request leave to exceed the three-page limitation for pre-motion conference letters under Your Honor's Individual Practices because this submission addresses four separate issues and seeks relief as against both the Republic and BNA. *See* Individual Practices § 2.A.

permitted to use both federal and state discovery tools in order to obtain information necessary to enforce the September 15, 2023 judgment (the "Judgment").

Finally, in Section IV, Plaintiffs seek an order from the Court compelling production in response to alter ego discovery requests served on both the Republic and BNA as the requests pertain to Aerolíneas Argentinas ("Aerolíneas"), BNA, Energía Argentina S.A. ("ENARSA"), and Empresa Argentina de Soluciones Satelitales S.A. ARSAT ("ARSAT") (collectively, the "State-Owned Entities"). Although Plaintiffs have made the showing the Court requested to obtain alter ego discovery, Argentina and BNA have refused to provide the documents on the same grounds the Court rejected in May.

I. A Scheduling Order Is Necessary To Ensure The Republic's Compliance

Despite the Court's May 28 order compelling the production of documents responsive to Plaintiffs' YPF and BCRA alter ego requests, the Republic did not agree to conduct email searches in response to those requests until July 2. Although Plaintiffs provided the Republic with proposed custodians and search terms on June 18, the Republic did not respond until July 27. After nine months and nineteen meet-and-confers, the Republic has produced only 3,530 documents. The Republic's glacial pace makes clear that meaningful progress is unlikely absent court-ordered deadlines to ensure the Republic's compliance. Accordingly, Plaintiffs request that the Court enter the following schedule:²

| Parties to agree a search term and custodian proposal | August 14, 2024 |
|---|-----------------|
| Absent agreement, the Republic and Plaintiffs submit custodian and search term proposals to the Court | August 16, 2024 |
| Republic to Complete Production in Response to Requests Propounded on October 16, 2023 and May 15, 2024 | October 4, 2024 |

II. Post-Judgment Modification Of The Protective Order Is Necessary

Plaintiffs respectfully request that the Court modify the current Protective Order, which presently limits the use of "Discovery Material . . . solely for the prosecution or the defense of these Actions (including any appeal therefrom) and for no other purpose, including use in other legal actions, present or future." ECF No. 177 ¶ 2. At present, the Protective Order may preclude Plaintiffs from using materials obtained through post-judgment discovery to support foreign proceedings to enforce the Judgment or any foreign judgment recognizing the Judgment—proceedings that Plaintiffs are forced to initiate due to Argentina's refusal to satisfy the Judgment. It would defeat the very purpose of post-judgment discovery if Plaintiffs could not use discovery materials in foreign enforcement proceedings. Plaintiffs have proposed the attached revised protective order (attached as Exhibit 2) to the Republic. The Republic rejected the revision and has not proposed any alternative.

Post-judgment protective order modifications are routinely ordered to ensure that post-judgment discovery may be used in service of enforcement. *See Gambale v. Deutsche Bank AG*, 377 F.3d 133, 141 (2d Cir. 2004) ("It is undisputed that a district court retains the power to modify

² A proposed scheduling order is attached as Exhibit 1.

or lift protective orders[.]"); see also Rio Tinto PLC v. Vale S.A., 2016 WL 900652, at *2 (S.D.N.Y. Mar. 9, 2016) (ordering modification of a protective order post-dismissal and collecting cases), aff'd Rio Tinto PLC v. Vale, 2016 WL 2605754, at *2 (S.D.N.Y. Mar. 25, 2016). The Republic's objection to post-judgment modification is obstructive and contrary to its agreement to a similar post-judgment modification in Stipulated Protective Order, EM Ltd. v. The Republic of Argentina, Case No. 1:03-cv-08845-LAP (S.D.N.Y. 2008), ECF No. 105. "Where a litigant or deponent could not reasonably have relied on the continuation of a protective order a court may properly permit modification of the order." Charter Oak Fire Ins. Co. v. Electrolux Home Prods., Inc., 287 F.R.D. 130, 132 (E.D.N.Y. Aug. 15, 2012). There is no basis to oppose modification here: the operative Protective Order is a blanket protective order, it allows a party to challenge a confidentiality designation at any time, and it was "so order[ed]" by the Court. Id.

III. The Republic Must Respond To The Information Subpoena

Plaintiffs also request that the Court order the Republic to provide written responses to the Subpoena. A judgment-creditor may employ both federal and state discovery procedures to obtain post-judgment discovery under Federal Rule of Civil Procedure 69. See, e.g., Amaprop Ltd. v. Indiabulls Fin. Servs., 2012 WL 4801452, at *6 n.6, *11-12 (S.D.N.Y. Oct. 5, 2012) (holding that Rule 69(a)(2) allows judgment-creditor to use federal service procedures to serve subpoena issued pursuant to CPLR § 5224); Chevron Corp. v. Donziger, 2020 WL 635556, at *3, *5 (S.D.N.Y. Feb. 11, 2020) (holding that Rule 45 subpoenas issued by judgment-creditor are "enforceable under Rule 69(a)(2) and the CPLR without regard to Rule 45"); Plaza Motors of Brooklyn, Inc. v. Rivera, 2021 WL 4356011, at *2-*3 (E.D.N.Y. Sept. 24, 2021) (ordering judgment-debtor to respond to CPLR § 5224 information subpoena and Rule 45 document subpoena). In Chevron, Judge Kaplan confirmed that "[f]ederal law does not trump state law with respect to obtaining discovery under Rule 69(a)(2). Instead, both federal and state procedures are available." Chevron, 2020 WL 635556, at *4; see also Retamco Operating, Inc. v. Carone, 2007 WL 9752774, at *1-2 (C.D. Cal. June 29, 2007) (concluding that Rule 69(a)(2) allows a judgment-creditor to "use state procedures or federal procedures and therefore, implicitly, both").

In refusing to respond to the Subpoena, the Republic relies on a 24-year-old decision of former Magistrate Judge Maas. See June 7 Letter at 1 (attached as Exhibit 3) (citing British Int'l Ins. Co. Ltd. v. Seguros La Republica, S.A., 2000 WL 713057, at *10 (S.D.N.Y. June 2, 2000)). Magistrate Judge Maas's ruling relied on F.D.I.C. v. LeGrand, 43 F.3d 163, 171-72 (5th Cir. 1995), which did not hold that Rule 69 requires a judgment-creditor to elect federal or state discovery procedures, but rather that the judgment-creditor could obtain the judgment-debtor's tax returns, noting that it was "irrelevant" whether the returns were discoverable under Texas law because the judgment-creditor had elected to pursue the discovery under the Federal Rules. Id.

The Republic's other objections, including that Subpoena questions are cumulative of Plaintiffs' document requests, are unavailing in light of this District's presumption "in favor of full discovery of any matters arguably related to the creditor's efforts to trace the debtor's assets[.]" See Citibank, N.A. v. Aralpa Holdings Ltd. P'ship, 2024 WL 1555231, at *3 (S.D.N.Y. Apr. 10, 2024) (cleaned up). CPLR 5224(a)(3)'s requirement of written, sworn answers to each question in the Subpoena has substantial value to Plaintiffs beyond the Republic's inadequate document productions. "[B]road post-judgment discovery in aid of execution is the norm in federal and New York state courts." EM Ltd. v. Republic of Argentina, 695 F.3d 201, 207 (2d Cir. 2012). Plaintiffs

are entitled to discover information about the Republic's assets by both the Subpoena and document requests.

IV. Plaintiffs Are Entitled To Alter Ego Discovery

In ruling that Plaintiffs could seek alter ego discovery from the Republic and YPF, the Court granted Plaintiffs leave to demonstrate that similar discovery is warranted as to the State-Owned Entities as well. May 28 Hr'g Tr. at 39:20-23 ("You may take the discovery with respect to YPF and BCRA for a two-year period. If you want to discuss the others, then I think some kind of showing has to be made."); see also id. at 54:9-11.

Plaintiffs made the requisite showing to BNA on June 18, 2024 and to the Republic on June 25, 2024. BNA and the Republic responded simultaneously one month later, on July 26, 2024, citing twelve year-old case law to justify their refusal to provide any documents responsive to Plaintiffs' alter ego-related document requests.³ Both the Republic and BNA continue to rely on this case and other outdated or inapposite law to justify their refusal to respond to discovery requests,⁴ notwithstanding the Court's order in May. As the Court acknowledged, Plaintiffs seek this discovery to determine whether the target entities *currently* are alter egos of the Republic. *See* May 28 Hr'g Tr. 33:12-13 ("THE COURT: The question, though, is how do we know that those conditions are extant today?"). Plaintiffs are not required to establish an entity's alter ego status to obtain discovery to prove the entity's alter ego status. *Id*.

The Republic's and BNA's objections—which ignore the Court's prior order—require Plaintiffs to seek relief here. Accordingly, Plaintiffs set forth the below information establishing that discovery is warranted to determine whether the Republic's control over the State-Owned Entities has made them alter egos of the Republic. Plaintiffs respectfully request that the Court compel the Republic's production of documents responsive to Request Numbers 31–39 (as they pertain to these four entities), 40–52, and 63–77 in Plaintiffs' October 16, 2023 Requests. Plaintiffs also request that the Court compel BNA's production of documents responsive to Request Numbers 16-26 in Plaintiffs' April 1, 2024 document subpoena.

a. BNA

BNA is wholly owned by the Republic, which lists BNA as a state-owned entity in its securities filings.⁵ The Bank has stated in public filings that it acts "as financial agent for the Federal Government" and that it "play[s] the role of financial branch of the National Government, to the benefit of the productive development of the country," which is essentially the definition of an alter ego. In addition to these public statements, the Republic controls day to day aspects of

³ See Seijas v. Rep. of Argentina, 502 F. App'x 19, 22-23 (2d Cir. 2012).

⁴ Republic's July 26, 2024 Letter Response on Alter Ego Discovery at 2 ("Arg. Ltr."); BNA's May 22, 2024 Objections and Responses to Subpoena ¶ 5; BNA's July 26, 2024 Letter Response at 3.

⁵ See, e.g., The Republic of Argentina, Annual Report (Form 18-K) (June 22, 2023), Exhibit D, available at https://shorturl.at/pXebE.

⁶ Banco de la Nación Argentina, Annual Report and Consolidated Balance Sheet, at 222, 23.7 (2021), available at

https://www.bna.com.ar/Downloads/MemoriayBalanceGeneralConsolidado 2021.pdf.

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BNA's operations by, for example, guaranteeing BNA's third-party obligations and debts,⁷ and nominating BNA's directors and officers each year.⁸

Contrary to the financial independence typically enjoyed by independent corporations, per BNA's Charter, Article 31, "[t]he remuneration of the President, Vice-president, Directors and Statutory Auditor shall be fixed by the National Executive Branch." In addition, on December 1, 2021, by Presidential Decree 823/2021, the Republic instructed administration officials to buy insurance policies from Nación Seguros, the National Executive Branch. That instruction to purchase insurance policies and a related, alleged insurance fraud scheme is currently under investigation.

b. Aerolíneas

The Republic identifies Aerolíneas as a state-owned entity in its securities filings, following the country's expropriation of 99% of its shares in 2008. Aerolíneas's public filings declare that it "fulfils a strategic role in the economic and social development of the Argentina Republic." ¹⁴

Several developments since the airline's nationalization point to Argentina's extensive control. Pertinent among them, (1) Aerolíneas continues to operate at a deficit and persistently requires millions in funding from the Republic to remain operational; ¹⁵ (2) the Republic staffs

⁷The Republic of Argentina, Annual Report (Form 18-K), at D-158 (June 22, 2023), *available at* https://shorturl.at/pXebE.

⁸ For example, on December 26, 2023, by Presidential Decree 110/2023, the Republic designated Daniel Tillard as the president and Dario Wasserman as vice-president of BNA. *See* Decree 110/2023, Banco de la Nación Argentina Designations, Dec. 28, 2023, *available at* https://cl.gy/FCcgD. On February 5, 2024, by Presidential Decree 123/2024, the Republic appointed Carlos Mario Balter as a Director of BNA. Decree 123/2024, Banco de la Nación Argentina Designations, Feb. 6, 2024, *available at* https://shorturl.at/IEzap. On February 15, 2024, by Presidential Decree 146/2024, the Republic appointed Armando Daniel Guibert to an "ad honorem" position on BNA's Board of Directors. *See* Decree 146/2024, Feb. 15, 2024, *available at* https://rb.gy/e21lht.

⁹ Banco de la Nación Argentina, Charter, available at https://rb.gy/8i7gub.

¹⁰ Decree 823/2021, Financial Administration and Control Systems of the National Public Sector, Dec. 1, 2021, *available at* https://rb.gy/060780.

¹¹ Alberto Fernández's assets frozen amid insurance scandal, MERCOPRESS (April 10, 2024), available at https://cl.gy/rejUG.

¹² Nación Seguros S.A. Ownership Chart, available at https://cl.gy/VyZTK.

¹³ Alberto Fernández's assets frozen amid insurance scandal, MERCOPRESS (April 10, 2024), available at https://cl.gy/rejUG; see also Television Publica Noticias, Nación Seguros: denuncian a Alberto Fernández, YOUTUBE, available at https://cl.gy/FkUEO.

¹⁴ Art. 3, Law 26,466. The Republic enacted law No. 27.431 to ensure that any financial support it provides to Aerolíneas is accounted for as a capital contribution for future capital increases. *See* Argentine Law No. 27,431, January 2, 2018, *available at* https://cl.gy/PCnrq..

¹⁵ Confirmed that Aerolíneas Argentinas loses 2 million dollars per day, Hoy (Sept. 22, 2014), available at https://cl.gy/AsAMI; Multimillion in losses in Aerolíneas Argentinas, A21 ROSCA NAUTICA (Feb. 1, 2016), available at https://cl.gy/FjYkW; How much funding did the National

Aerolíneas with political appointees who have been criticized for their lack of airline experience and poor management, prompting former President Macri to acknowledge that "Aerolíneas Argentinas is an employment factory for [the Kirchner youth movement] La Campora;" (3) Aerolíneas's "action plan and budget" is approved each year by the Ministry of Economy; (4) only the Republic is allowed to own Aerolíneas's Class A shares, which are afforded veto power over items in Aerolíneas's Articles of Incorporation; (5) the Republic has directly negotiated the purchase of aircraft for Aerolíneas and guaranteed those transactions, most of which were subsequently investigated for corruption; (6) Aerolíneas managers linked to La Campora have controlled Aerolíneas's communications' budget—one of the largest in the country—and are suspected to have used those funds to support the political campaigns of pro-Kirchner candidates; and (7) during the last months of President Fernandez's administration, Aerolíneas is suspected to have released fraudulent financial results inflated by \$100 million in debt, paid in part by the Argentine Social Security Agency (ANSES).

c. ENARSA

ENARSA, a state-owned entity, is 97.94% owned by the Republic, which touts its control over ENARSA in its SEC filings. As with BNA and Aerolíneas, the Republic's control of ENARSA is, at least partially, publicly documented, including that: (1) for public purposes, the Republic has

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https://www.boletinoficial.gob.ar/web/utils/pdfView?file=%2Fpdf%2Faviso%2Fprimera%2F265642%2F20220705.

Government allocate to Aerolíneas Argentinas, CHEQUEADO (July 20, 2023), available at https://cl.gy/wqjsw; Aerolíneas: controversy over losses in a year in which the future of the airline will be debated, LA NACION (Feb. 27, 2023), available at https://cl.gy/rkWTo.

16 LA NACION, Macri: 'Aerolinas Argentinas is an employment factory for La Campora," YouTube (May. 29, 2022), https://cl.gy/ngMsu; see also, e.g., Horacio Alonso, Cómo creció en 2 años un millonario negocio que maneja Máximo Kirchner, MDZ, (Jan. 14, 2022), https://cl.gy/mzLpr (Congressman José Luis Espert stated that Aerolíneas "is La Campora's rathole"), José Luis Espert pointed out against Aerolíneas Argentinas: "It is a nest of rats of La Cámpora," PERFIL (Dec. 25, 2021), https://cl.gy/TiDSN.

¹⁷ Resolution 130/2023, Official Gazette (Feb. 15, 2023), https://www.boletinoficial.gob.ar/web/utils/pdfView?file=%2Fpdf%2Faviso%2Fprimera%2F281 399%2F20230217; Resolution 518/2022, Official Gazette (July 2, 2022),

¹⁸ Articles of Incorporation, Sociedad Estatutos Sociales Aerolineas Argentinas S.A., at 7, 18-19, available at https://cl.gy/mdaXI.

¹⁹ Surcharges on Aerolineas: Another Questionable Purchase, LA POLITICA ONLINE (Apr. 2, 2010), available at https://cl.gy/RbeEe; Una millonaria compra a Embraer que involucre a la fábrica de aviones de Córdoba, revelará cómo anda la relación Kirchner-Lula, URGENTER24 (Aug. 22, 2008), https://cl.gy/urkQX; They want to buy Embraer planes, LA NACIÓN (June 30, 2020), https://cl.gy/EOMcp.

²⁰ Now La Cámpora took control of the million-dollar official advertising, CLARÍN (Feb. 21, 2012), available at https://cl.gy/KdvnG.

²¹ Aerolíneas: La Cámpora management used money from retirees to hide the true numbers, LA NACIÓN (Dec. 7, 2023), https://cl.gy/nLaVA; Aerolíneas issued debt for 100 million dollars and ANSES bought half of it, CLARÍN (Oct. 20, 2023), https://cl.gy/BByBQ.

remedied recent domestic gas shortages by directing ENARSA to purchase LNG from Petrobras;²² (2) the Republic has also instructed ENARSA to issue a Request for Proposal to LNG suppliers in order to meet the recent shortages;²³ (3) President Milei "put in charge" ENARSA's president, who has close ties to current Energy Secretary Rodríguez Chirillo;²⁴ (4) ENARSA subsidies have grown 194% under President Milei's government control;²⁵ (5) the Republic recently gave ENARSA oversight authority over holders of hydroelectric concessions;²⁶ (6) by Resolution 67/2022, dated February 7, 2022, the Republic placed ENARSA in charge of the construction of the Nestor Kirchner Gas Pipeline ("GPNK")²⁷ and, in 2023, the Development Bank of Latin America disbursed \$840 million to the Republic, \$540 million of which will be used for the Northern Gasduct Reversion project ancillary to the GPNK;²⁸ and (7) pursuant to executive decrees the Republic requires ENARSA to maintain a stand-by letter of credit in favor of YPF Bolivia to guarantee volumes of natural gas.²⁹

d. ARSAT

ARSAT is wholly owned by the Republic.³⁰ The Republic treats ARSAT as an extension of the state, as evidenced in its SEC filings, where it describes the Republic's direction and management of ARSAT's "acquisition of equipment" and satellite construction:

In 2021, the Government announced the commencement of a project related to the third satellite of the ARSAT fleet, . . . which will be the first electric propulsion satellite built in Argentina, In addition, the Government initiated the acquisition of

²² Nicolas Gandini, *Insólito: como Petrobras no autorizó a Enarsa a descargar un cargamento de GNL, le cortaron el gas a más de 100 grandes industrias*, ECONOJOURNAL (May 28, 2024), *available at* https://cl.gy/ihQFS.

²³ Request for Proposal, ENARSA (Mar. 1, 2024), https://cl.gy/cdWrZ; Energia. Petrobras aceptó el pago y comenzó la descarga de uno de los barcos de GNL, La Voz (May 29, 2024), https://shorturl.at/3AW9s; The Government defended the Secretary of Energy in the face of criticism for the lack of gas: "There was no unpredictability", EL TERRITORIO (June 1, 2024), https://cl.gy/bZWEt

²⁴ Milei pone a un abogado de empresas energéticas al frente de Enarsa, LA POLITICA ONLINE (Dec. 26, 2023), available at https://cl.gy/pgwfp;; Juan Carlos Doncel Jones es el nuevo presidente de Enarsa, MINING PRESS (Dec. 28, 2023), https://shorturl.at/Eoa5L; Juan Carlos Doncel Jones fue designado como nuevo presidente de Enarsa, EconoJournal (Dec. 26, 2023), https://shorturl.at/rD1X6.

²⁵ El agujero energético de Milei: los subsidios a las empresas de energía se disparan a los 3.666 millones en 2023, Periodico Energía (Feb. 3, 2024), available at https://cl.gy/DGHvz.

²⁶ Argentina volvió a extender el período de transición de las concesiones hidroeléctricas de la Patagonia Norte, Argentina.gob.ar (Jan. 19, 2024), available at https://cl.gy/cEHqc.

²⁷ Resolution 67/2022, Energy Secretariat, Ministry of Energy, Feb. 7, 2022, *available at* https://www.boletinoficial.gob.ar/detalleAviso/primera/257278/20220209.

²⁸ La CAF desembolsa USD 840 millones para el desarrollo de Argentina, Argentina.gob.ar (Mar. 7, 2023), available at https://cl.gy/iqBoI.

²⁹ Decree 389/2021, Argentina.gob.ar, available at https://cl.gy/XDfYf; Decree 765/2022, Argentina.gob.ar, available at https://cl.gy/bMmka.

³⁰ Resolution 1/2015, Argentina.gob.ar, available at https://cl.gy/QVWOZ.

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equipment to expand the cybersecurity and storage capacity of ARSAT's national data center, which offers cloud services and information security.³¹

Between 2018 and 2020, two-thirds of the services provided by ARSAT to the Republic were paid for with sovereign bonds.³² President Milei appointed ARSAT's president, Mariano Greco and asserts approval authority over ARSAT's budget, pursuant to article 46 of Law 24.156.³³

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The Republic's control of the State-Owned Entities' day-to-day operations—from lending, to vendor selection, to operational decisions regarding purchasing, to daily management by executives—over the past two years more than justifies discovery to determine whether the State-Owned Entities are presently alter egos of the Republic.

Respectfully,
/s/ Randy M. Mastro
Randy M. Mastro

³¹ See The Republic of Argentina, Annual Report (Form 18-K), at D-55 (June 22, 2023), available at https://shorturl.at/pXebE.

³² Estados Contables, Empresa Argentina de Soluciones Satelitales S.A., Auditoria General de la Naciòn (Jan. 1, 2019 – Dec. 31, 2019), *available at* https://cl.gy/axJHq; Law 24,156, Financial Administration and Control Systems of the National Public Sector, INFOLEG, *available at* https://cl.gy/syAcx.

³³ Javier Milei chose a "Massista" to control Arsat until it is privatized, iProfesional (Feb. 16, 2024), https://cl.gy/bnPOx.